

**CONTRACT #15**  
**RFS # 321.04-001**

**Department of General  
Services**

**VENDOR:**  
**GovDeals, Inc.**

## REQUEST: NON-COMPETITIVE AMENDMENT

RECEIVED

JUN 22 2005

FISCAL REVIEW

APPROVED

Commissioner of Finance &amp; Administration

Date:

Each of the request items below indicates specific information that must be individually detailed or addressed as required.  
A REQUEST CAN NOT BE CONSIDERED IF INFORMATION PROVIDED IS INCOMPLETE, NON-RESPONSIVE, OR DOES NOT  
CLEARLY ADDRESS EACH OF THE REQUIREMENTS INDIVIDUALLY AS REQUIRED.

RFS #	321.04-01		
STATE AGENCY NAME :	Department of General Services		
SERVICE CAPTION :	Web Based Management and On-Line Auction Services		
CONTRACT #	FA-02-14893-02	PROPOSED AMENDMENT #	2
CONTRACTOR :	GovDeals, Inc.		
CONTRACT START DATE :	04/01/02		
CURRENT, LATEST POSSIBLE END DATE : (including ALL options to extend)	03/31/07		
CURRENT MAXIMUM LIABILITY :	\$600,000.00		
LATEST POSSIBLE END DATE <u>WITH</u> PROPOSED AMENDMENT : (including ALL options to extend)	04/01/07		
TOTAL MAXIMUM COST <u>WITH</u> PROPOSED AMENDMENT : (including ALL options to extend)	\$1,050,000.00		
APPROVAL CRITERIA : (select one)	<input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state <input type="checkbox"/> only one uniquely qualified service provider able to provide the service		
ADDITIONAL REQUIRED REQUEST DETAILS BELOW (address each item immediately following the requirement text)			
(1) description of the proposed additional service and amendment effects :			
To use GovDeals to assist our Property Utilization Division with disposing of property to the general public that is no longer needed by our cities, counties, and non-profit agencies.			
(2) explanation of need for the proposed amendment :			
Due to the amount of heavy equipment surplus from the Department of Forestry, TDOT lowering the mileage requirements on their			

sedans, and our division holding property for only 30 to 45 days before offering it to the public on GovDeals has allowed us to generate more revenue. Thereby, also, generating more expense on this contract.

(3) name and address of the proposed contractor's principal owner(s) :  
(not required if proposed contractor is a state education institution)

GovDeals, Inc., 4825 Trousdale Drive, Suite 209, Nashville, Tennessee 37220

(4) documentation of OIR endorsement of the Non-Competitive procurement request :  
(required only if the subject service involves information technology)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

(5) documentation of Department of Personnel endorsement of the Non-Competitive procurement request :  
(required only if the subject service involves training for state employees)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

(6) description of procuring agency efforts to identify reasonable, competitive, procurement alternatives rather than to use non-competitive negotiation :

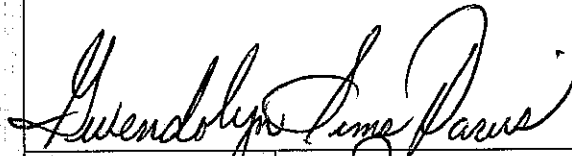
GovDeals, Inc. is the current contract vendor, and due to urgent needs for on-line auction service for items currently ready for re-sale, it would be in the best interest of the State to use the existing vendor. To reprocure the service would not allow for urgent needs to be met, GovDeals has one year and nine months left on the contract.

(7) justification of why the F&A Commissioner should approve a Non-Competitive Amendment :

It would take several months to sell heavy equipment, and any specialty items(the airplane we are receiving from TDOT), and the normal amount of property coming through this program.

**AGENCY HEAD REQUEST SIGNATURE:**

(must be signed by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR — signature by an authorized signatory will be accepted only in documented exigent circumstances)




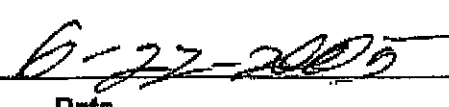
SIGNATURE DATE:

June 22, 2005



STATE OF TENNESSEE

**FAX TRANSMITTAL**

<b>TO:</b>	Bill Ezell, Chief Executive Officer Office for Information Resources	<b>FAX #</b> 532-0471
<b>FROM:</b>	Terry Hill, RFP Coordinator Department of General Services	<b>FAX #</b> 532-2305
<b>DATE:</b>	06/22/05	
<b>RFS#</b>	321.04-01	
<b>RE:</b>	OIR Procurement Endorsement Documentation for — Web Based Management and On-Line Auction Services, GovDeals Inc.	
<b>NUMBER OF FAX PAGES (INCLUDING COVER): 1</b>		
<p>The proposed, service procurement documents referenced above are hereby forwarded to the Office for Information Resources (OIR) for review. The subject scope of services appears to include information systems services or information technology support activities.</p> <p>This communication seeks to ensure that OIR is aware of the procurement and has an opportunity to review the matter to determine whether OIR is supportive. Please indicate OIR endorsement of the procurement described by signature below and return this communication at your earliest convenience (note the return FAX number above).</p> <p>If you have any questions or concerns about this matter, please call Terry Hill at (615)532-8233.</p> <p>Thank you for your help.</p> <p>Attachment</p>		
<b>OIR ENDORSES THE SUBJECT PROCUREMENT REQUEST</b>		
 Office for Information Resources		 Date



**STATE OF TENNESSEE**  
**DEPARTMENT OF GENERAL SERVICES**

**GWENDOLYN SIMS DAVIS**  
COMMISSIONER

**PHIL BREDESEN**  
GOVERNOR

June 22, 2005

The Honorable M.D. Goetz, Jr., Commissioner  
Department of Finance and Administration  
1st Floor, State Capitol Building  
Nashville, TN 37243-0285

Dear Commissioner Goetz,

We request to amend contract number FA-02-14893-00 for additional funding. The contract is for Web Based Management and On-line Auction Services with GovDeals, Inc. The current contract maximum is \$600,000.00, this amendment will be needed to add \$450,000.00, for a total contract maximum of \$1,050,000.00.

- Description of proposed additional service and amendment effects;  
*The GovDeals is used to assist our Property Utilization Division with disposing of property to the general public that is no longer needed by our cities, counties, and non-profit agencies.*
- Explanation of need for the proposed amendment;  
*Due to the amount of heavy equipment surplus from the Department of Forestry, TDOT lowering the mileage requirements on their sedans, and our division holding property for only 30 to 45 days before offering it to the public on GovDeals has allowed us to generate more revenue. Thereby, also, generating more expense on this contract.*
- Name and address of contractor's principal owner(s);  
*GovDeals, Inc.  
4825 Trousdale Drive, Suite 209  
Nashville, Tennessee 37220*
- Evidence of OIR support of the Non-Competitive procurement request (required only if the subject service Involves information technology);  
*N/A*
- Evidence of Department of Personnel support of the Non-Competitive procurement request (rather than to use non-competitive negotiation);  
*N/A*

Commissioner Goetz

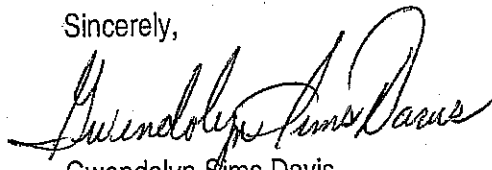
June 22, 2005

Page 2

- Description of procuring agency efforts to identify reasonable, competitive, procurement alternatives (rather than to use non-competitive negotiation);  
*GovDeals, Inc. is the current contract vendor, and due to urgent needs for on-line auction service for items currently ready for re-sale, it would be in the best interest of the State to use the existing vendor. To reprocur the service would not allow for urgent needs to be met, GovDeals has one year and nine months left on the contract.*
- Justification of why the state should approve a Non-Competitive amendment  
*It would take several months to sell heavy equipment, and any specialty items (the airplane we are receiving from TDOT), and the normal amount of property coming through this program.*

Your consideration for this request will be greatly appreciated.

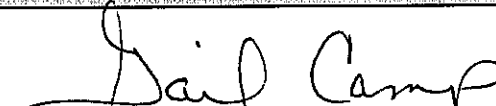
Sincerely,



Gwendolyn Sims Davis,  
Commissioner

cc: Thomas Chester, Deputy Commissioner  
Leroy Richmond, Assistant Commissioner  
Dale Turrentine, Director, Property Utilization  
Shaylondia Simmons, Assistant Director, Property Utilization  
Terry Hill, RFP Coordinator

# C O N T R A C T   S U M M A R Y   S H E E T

<b>RFS Number:</b>		<b>Contract Number:</b> FA-02-14893-02	
<b>State Agency:</b> General Services		<b>Division:</b> Property Utilization	
<b>Contractor</b>		<b>Contractor Identification Number</b>	
Gov Deals, Inc.		<input checked="checked" type="checkbox"/> <b>X V-</b> <input type="checkbox"/> <b>C-</b>	631241096-00
<b>Service Description</b>			
Web Based Management and On-Line Auction Services			
<b>Contract Begin Date</b>		<b>Contract End Date</b>	
04/01/02		03/31/07	
<b>Allotment Code</b>	<b>Cost Center</b>	<b>Object Code</b>	<b>Fund</b>
321.04	8000	083	13
		<input type="checkbox"/> on STARS	
<b>Grant</b>	<b>Grant Code</b>	<b>Subgrant Code</b>	
<b>FY</b>	<b>State Funds</b>	<b>Federal Funds</b>	<b>Interdepartmental Funds</b>
2002			48,300
2003			101,050
2004			178,500
2005			212,000
2006			337,500
2007			172,650
<b>Total:</b>			1,050,000
<b>CFDA #</b>	<b>Check the box ONLY if the answer is YES:</b>		
<b>State Fiscal Contact</b>		<b>Is the Contractor a SUBRECIPIENT? (per OMB A-133)</b>	
<b>Name:</b>	Gail Camp	<b>Is the Contractor a VENDOR? (per OMB A-133)</b>	
<b>Address:</b>	23 <sup>rd</sup> Fl, Tenn. Tower	<b>Is the Fiscal Year Funding STRICTLY LIMITED?</b>	
<b>Phone:</b>	741-3066	<b>Is the Contractor on STARS?</b>	
<b>Procuring Agency Budget Officer Approval Signature</b>		<b>Is the Contractor's FORM W-9 ATTACHED?</b>	
		<b>Is the Contractors Form W-9 Filed with Accounts?</b>	
		X	
<b>COMPLETE FOR ALL AMENDMENTS (only)</b>		<b>Funding Certification</b>	
	<b>Base Contract &amp; Prior Amendments</b>	<b>This Amendment ONLY</b>	
<b>END DATE →</b>			
<b>FY: 02</b>	240,000		
<b>FY: 04</b>	360,000		
<b>FY: 06</b>		450,000	
<b>FY:</b>			
<b>FY:</b>			
<b>Total:</b>	600,000	450,000	

Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

**AMENDMENT TWO**  
**TO CONTRACT NUMBER FA-02-14893-00**  
**Between**  
**THE STATE OF TENNESSEE, DEPARTMENT OF GENERAL SERVICES**  
**AND**  
**GOVDEALS, INC.**

This CONTRACT, by and between the State of Tennessee, DEPARTMENT OF GENERAL SERVICES, hereinafter referred to as the State, and GOVDEALS, INC., hereinafter referred to as the CONTRACTOR, is hereby amended as follows:

1. Delete Section C.1 in its entirety and insert the following in its place:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed ONE MILLION FIFTY THOUSAND DOLLARS(\$1,050,000.00). The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

2. Delete Section E.2 in its entirety and insert the following in its place:

E.2 Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

The State:

Shaylondia Simmons, Assistant Director of Property Utilization  
Department of General Services  
Nashville, TN 37243-0543  
Telephone: 615-350-3373  
Fax: 615-350-3379  
E-mail: [shaylondia.simmons@state.tn.us](mailto:shaylondia.simmons@state.tn.us)

The Contractor:

GovDeals, Inc.  
Tom Clark, Client Services Vice President  
4825 Trousdale Dr., Suite 209  
Nashville, TN 37220  
Telephone: 615-846-1150 x4  
Fax: 615-846-1154  
E-mail: [tom@govdeals.com](mailto:tom@govdeals.com)

The other terms and conditions of this Contract not amended hereby shall remain in full force and effect.



**IN WITNESS WHEREOF:**

**GovDeals, Inc.:**

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**Bob DeBardelaben, President**

**Date**

**DEPARTMENT OF GENERAL SERVICES:**

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**Gwendolyn Sims Davis, Commissioner**

**Date**

**APPROVED:**

**DEPARTMENT OF FINANCE AND ADMINISTRATION:**

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**M. D. Goetz, Jr., Commissioner**

**Date**

**COMPTROLLER OF THE TREASURY:**

---

**John G. Morgan, Comptroller of the Treasury**

**Date**

# CONTRACT SUMMARY SHEET

RFS Number:		Contract Number:	FA-02-14893-01
State Agency:	General Services	Division:	Property Utilization
Contractor:		Contractor Identification Number:	
GovDeals, Inc.		<input checked="" type="checkbox"/> V- <input type="checkbox"/> C-	V631241096-00

Service Description

Web based management and on-line services

Contract Begin Date	Contract End Date
4/01/02	03/31/07

Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code
321.04	1000	083	13	<input type="checkbox"/> on STARS		

FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount (including ALL amendments)
			48,300.00		48,300.00
02			101,250.00		101,250.00
03			112,612.00		112,612.00
04			112,612.00		112,612.00
05			112,612.00		112,612.00
06			112,614.00		112,614.00
07			600,000.00		600,000.00
Total:					

CFDA #	Check the box ONLY if the answer is YES:	
State Fiscal Contact	Is the Contractor a SUBRECIPIENT? (per OMB A-133)	
Name: Thomas W. Chester	Is the Contractor a VENDOR? (per OMB A-133)	
Address: 23 <sup>rd</sup> Floor TN Tower, WM R. Snodgrass Bldg	Is the Fiscal Year Funding STRICTLY LIMITED?	
Phone: 741-3066	Is the Contractor on STARS?	X
Procuring Agency Budget Officer Approval Signature	Is the Contractor's FORM W-9 ATTACHED?	
<i>Thomas W. Chester</i>	Is the Contractor's Form W-9 Filed with Accounts?	X

## COMPLETE FOR ALL AMENDMENTS (only)

	Base Contract & Prior Amendments	This Amendment ONLY
END DATE →		
FY: 02	240,000	
FY: 04		51,112.00
FY: 05		93,662.00
FY: 06		107,612.00
FY: 07		107,614.00
Total:	240,000.00	360,000.00

**Funding Certification**

Pursuant to T.C.A. Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

RECEIVED  
OCT 23 2003  
DIRECTOR OF ACCOUNTS  
OFFICE OF  
COMPTROLLER'S OFFICE  
MANAGEMENT SERVICES

2003 OCT - 6 PM 2:43

RECEIVED

**AMENDMENT NUMBER ONE**  
**TO**  
**CONTRACT NUMBER FA-02-14893-00**  
**BETWEEN**  
**THE STATE OF TENNESSEE, DEPARTMENT OF GENERAL SERVICES**  
**AND**  
**GOVDEALS, INC.**

GovDeals, Inc. (hereinafter referred to as the CONTRACTOR) provides web-based surplus property reutilization management and on-line auction services to the State of Tennessee, Department of General Services' Property Utilization Division (hereinafter referred to as the STATE) under Contract Number FA-02-14893-00.

The structure of this Contract requires the State to pay a sales commission, as a percentage of completed auction sales, to the Contractor. The original Contract budget was based on projections of sales volumes for each fiscal year; however, the success of this program has far exceeded those original projections. We now find that it is necessary to revise the Contract budget to accommodate the significantly higher sales being achieved by the Contractor. Thus, even though there is no change in the original commission percentages, the State will be required to make higher payments due to the higher sales volumes being achieved by the Contractor. To provide the necessary funds to service the account, this Contract is hereby amended as follows:

- I. It is deemed necessary to increase the State's maximum liability by \$360,000, thus bringing the total Contract amount to \$600,000. To accomplish this, the language in the first paragraph of Section C.1 shall be deleted in its entirety and replaced with the following language:

In no event shall the maximum liability of the State under this Contract exceed SIX HUNDRED THOUSAND DOLLARS (\$600,000.00). The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

- II. The State's contact person for this Contract, as established in Section E.2, shall be deleted in its entirety and replaced with the following person:

Brenda Grant, Director of Property Utilization  
Department of General Services  
6500 Centennial Boulevard  
Nashville, Tennessee 37243-0543  
Telephone: 615-350-3373  
Fax: 615-350-3379  
E-mail: [Brenda.Grant@state.tn.us](mailto:Brenda.Grant@state.tn.us)

- III. This amendment shall be effective October 1, 2003.
- IV. All Terms and Conditions not otherwise addressed remain in full force and effect.

GOVDEALS, INC.:

Michael R. Underwood  
Michael R. Underwood, President

DATE: 9/27/03

DEPARTMENT OF GENERAL SERVICES

Gwendolyn Sims Davis  
Gwendolyn Sims Davis, Commissioner

DATE: 10-1-03

APPROVED:

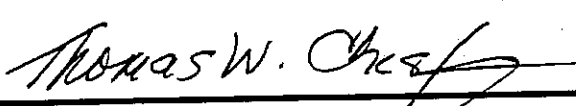
M.D. Goetz Jr. 10/1/03  
M. D. Goetz, Jr., Commissioner  
Department of Finance and Administration

DATE: 10/6/03

John C. Morgan  
John C. Morgan  
Comptroller of the Treasury

DATE: 10/8/03

# CONTRACT SUMMARY SHEET

<b>RFS Number:</b>		<b>Contract Number:</b> <sup>092</sup> FA-02-14893-00	
<b>State Agency:</b> General Services		<b>Division:</b> Property Utilization	
<b>Contractor</b>		<b>Contractor Identification Number</b>	
GovDeals, Inc.		<b>X V-C-</b>	V631241096-00
<b>Service Description</b>			
Web based management and on-line services			
<b>Contract Begin Date</b>		<b>Contract End Date</b>	
04/01/02		01/31/07	
<b>Allotment Code</b>	<b>Cost Center</b>	<b>Object Code</b>	<b>Fund</b>
321.04	1000	083	13
		<input type="checkbox"/> on STARS	
<b>Grant</b>	<b>Grant Code</b>	<b>Subgrant Code</b>	
<b>FY</b>	<b>State Funds</b>	<b>Federal Funds</b>	<b>Total Contract Amount (including ALL amendments)</b>
02		48,300.00	48,300.00
03		53,250.00	53,250.00
04		41,550.00	41,550.00
05		38,550.00	38,550.00
06		35,550.00	35,550.00
07		22,800.00	22,800.00
<b>Total:</b>		240,000.00	240,000.00
<b>CFDA #</b>	<b>Check the box ONLY if the answer is YES:</b>		
<b>State Fiscal Contact</b>		<b>Is the Contractor a SUBRECIPIENT? (per OMB A-133)</b>	
<b>Name:</b> Thomas W. Chester		<b>Is the Contractor a VENDOR? (per OMB A-133)</b>	
<b>Address:</b> 23 <sup>rd</sup> Floor TN Tower, WM R. Snodgrass Bldg		<b>Is the Fiscal Year Funding STRICTLY LIMITED?</b>	
<b>Phone:</b> 741-3066		<b>Is the Contractor on STARS?</b>	
<b>Procuring Agency Budget Officer Approval Signature</b>		<b>Is the Contractor's FORM W-9 ATTACHED?</b>	
		<b>Is the Contractors Form W-9 Filed with Accounts?</b>	
<b>COMPLETE FOR ALL AMENDMENTS (only)</b>		<b>Funding Certification</b>	
	<b>Base Contract &amp; Prior Amendments</b>	<b>This Amendment ONLY</b>	Pursuant to T.C.A., Section 9-6-113, I, C. Warren Neel, Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

PROCESSED

JUL 16 2002

DIRECTOR OF ACCOUNTS

JUL 17 PM 2:59

PROPERTY SERVICES MGMT

# CONTRACT SUMMARY SHEET

<b>Contract Number</b>	FA-02-14893-00	<b>State Agency</b>	General Services
		<b>Division</b>	Property Utilization
<b>Contractor</b>		<b>Vendor ID Number</b>	
GovDeals, Inc		<input checked="" type="checkbox"/> V <input type="checkbox"/> C	v631241096-00

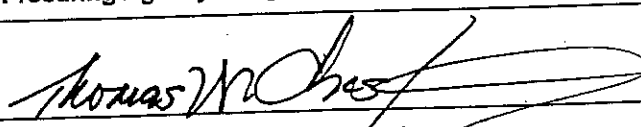
## Service Description

Web based management and on-line auction services

<b>Contract Begin Date</b>				<b>Contract End Date</b>			
4/1/02				1/31/07			

<b>Allotment Code</b>	<b>Cost Center</b>	<b>Object Code</b>	<b>Fund</b>	<b>Grant</b>	<b>Grant Code</b>	<b>Subgrant Code</b>
321.04	1000	083	13	<input type="checkbox"/> on STARS		

FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount (including <u>ALL</u> amendments)
			13,500.00		13,500.00
02			53,250.00		53,250.00
03			50,250.00		50,250.00
04			47,250.00		47,250.00
05			44,250.00		44,250.00
06			31,500.00		31,500.00
07			240,000.00		240,000.00
<b>Total</b>					

<input checked="" type="checkbox"/>	Fiscal Year Funding Is Strictly Limited	<b>CFDA Number</b>	
<input checked="" type="checkbox"/>	Contractor Is on STARS	<b>State Fiscal Contact</b>	
<input checked="" type="checkbox"/>	Current Form W-9 On File With Accounts OR Form W-9 Attached	<b>Name</b> <b>Address</b> <b>Phone</b>	Thomas W. Chester, CGFM 23rd Floor TN Tower Wm R. Everglades Bldg 741-3066
<input checked="" type="checkbox"/>	Service Provider Registered with F&A	<b>Procuring Agency Budget Officer Approval Signature</b>	
<input type="checkbox"/>	Contractor is a SUBRECIPIENT (as defined by OMB Circular A-133)		

COMPLETE FOR <u>ALL</u> AMENDMENTS (only)			Funding Certification
	<b>Base Contract &amp; Prior Amendments</b>	<b>This Amendment ONLY</b>	Pursuant to T.C.A., Section 9-6-113, I, John D. Ferguson, Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.
<b>Contract End Date</b>			
FY			
FY			
FY			
FY			
<b>PROCESSED</b> APR 11 2002			RECEIVED 2002 APR 12 PM 1:17 DEPT. OF GENERAL SERVICES FISCAL SERVICES OCR Use Only

APR 11 2002

OF ACCOUNTS